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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000698

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [CH](#) [TW](#)

SUBJECT: MA YING-JEOU INAUGURATED AS NEW TAIWAN PRESIDENT

Classified By: AIT Deputy Director Robert S. Wang,
Reasons: 1.4 (b/d)

11. (C) Summary: Ma Ying-jeou and Vincent Siew were inaugurated as Taiwan's new president and vice president on May 20. In his inaugural address, Ma pledged to strengthen relations with the U.S., Taiwan's "foremost security ally and trading partner." Extending an olive branch to Beijing, Ma said several recent statements by PRC President Hu Jintao indicate "his views are very much in line with our own." Ma called on the two sides "to pursue reconciliation and truce in both cross-Straits and international arenas." The challenge now facing Ma is whether his administration will be able to fulfill the public's high expectations for early and substantial improvements in economic performance, cross-Straits relations, and other policy areas. End Summary.

12. (SBU) Ma Ying-jeou and Vincent Siew (Wan-chang) were inaugurated as Taiwan's new president and vice president at the Presidential Office on May 20. During the formal morning ceremony, Ma and Siew saw off outgoing President and VP Chen Shui-bian and Annette Lu, took the formal oath of office, and received visiting foreign dignitaries, including U.S. Special Envoy Andrew Card. Ma also oversaw the swearing-in of the new cabinet and other top officials. The whole ceremony went very smoothly. Chen Shui-bian was in good spirits and friendly toward Ma, who appeared just a bit stiffer.

13. (SBU) Following the formal inauguration, Ma and Siew traveled across town to the packed 10,500-seat Taipei Arena, where thousands of invited spectators were already being treated to a series of song and dance performances celebrating the inauguration. Former President Lee Teng-hui was also seated on the front row next to Ma, Siew and their spouses. Ma entered the arena to a standing ovation. He delivered a twenty-minute inaugural address in which he underscored his intention to consolidate Taiwan's democracy and constitutional system, strengthen ties with the U.S., and improve and expand cross-Straits relations (See paras 4-6 for details). Ma's speech, particularly his statements on cross-Straits relations as well as his personal commitment to Taiwan's core values, was frequently interrupted by warm applause, with another standing ovation at the conclusion. Just after noon, Ma and Siew departed the Taipei Arena and returned to the Presidential Office for brief meetings with key visiting delegations, starting with the U.S. delegation (reported septel). In the afternoon, Ma, Siew and foreign delegations traveled to the southern city of Kaohsiung via

Taiwan's new High Speed Railway, where they were to attend a state banquet and stay overnight.

Ma's Inaugural Address

¶4. (SBU) Ma focused on three themes in his inaugural address: the historical significance of Taiwan's second turnover of power between political parties, the administration's mission in a new era, and Taiwan's legacy and vision. Quoting an expression used by President Bush, Ma stressed that Taiwan has become "a beacon of democracy to Asia and the world." He added, however, in one of several digs at former President Chen and the DPP, that Taiwan's democratic development has been bumpy at times. Ma noted with pride that Taiwan is the only "ethnic Chinese" society to complete a second democratic turnover of power. Despite some indirect criticisms of the Chen administration, Ma nevertheless pledged to foster political reconciliation, cooperation between ruling and opposition parties, and said he would govern "for all the people."

¶5. (SBU) Saying his administration's most urgent task was to lead Taiwan through the economic challenges posed by globalization, Ma vowed to further open and deregulate the island's economy to strengthen its comparative advantages. He also pledged to safeguard the ROC constitution, emphasizing the need to implement and respect rather than amend the constitution, and to rule according to law. Ma pledged to strengthen bilateral relations with the U.S., Taiwan's "foremost security ally and trading partner." He

TAIPEI 00000698 002 OF 003

also stated that Taiwan would prepare a reasonable defense budget and acquire necessary defensive weaponry to improve national security, adding that the ROC needed to restore its reputation in the international community as a peace-maker.

¶6. (SBU) Ma chose his wording carefully in two lengthy paragraphs on cross-Straits relations. Expressing hope the two sides would seize a "historic opportunity" to achieve peace and co-prosperity, he pledged to maintain the "status quo" in accordance with his "three nos" (no unification, no independence, and no use of force), which he said reflected mainstream Taiwan public opinion. According to Ma, the two sides reached a consensus in 1992 on "one China, respective interpretations." Based on the "1992 consensus," he said, "negotiations should resume at the earliest time possible," starting with the normalization of economic and cultural relations. Ma quoted two rather similar 16-character phrases on cross-Straits relations expressed by Vincent Siew and by "Mr." Hu Jintao. Emphasizing that several recent statements by Hu Jintao indicate that "his views are very much in line with our own," Ma called on the two sides "to pursue reconciliation and truce in both cross-Straits and international arenas."

Challenges Ahead

¶7. (C) Ma comes into office having raised very high public expectations. Pledging to substantially improve economic performance and cross-Straits relations, Ma has argued that current shortfalls in these areas are entirely due to incompetence, corruption, and the ideological agenda (Taiwan independence) of President Chen and his administration over the past eight years. Ma hopes that Beijing will respond to his goodwill gestures by moving quickly on initiatives such as weekend cross-Straits charter flights and arrangements for PRC tour group visits to Taiwan, and that such developments will give an economic shot in the arm to Taiwan. The primary challenge for Ma will be whether his administration, which includes many experienced officials, can deliver on its promises to create rapid, dramatic improvements in the economy and other policy areas.

¶8. (C) Ma's inauguration represents a watershed in Taiwan politics. Though frequently stressing his links to Taiwan, Ma still comes across as someone who identifies himself as much with "greater China" as with Taiwan. This contrasts with the narrow Taiwan nationalism of former President Chen and the DPP. Over the past eight years, cross-Strait economic and social ties have continued to develop rapidly, but quasi-official relations have remained frozen. This situation is expected to change dramatically under Ma, who hopes to quickly restore dialogue with Beijing. Next week, Wu Poh-hsiung, Chairman of what is now the ruling KMT, will head to China and meet with PRC President Hu Jintao. Shortly thereafter, exchanges are expected to resume between Taiwan's Straits Exchange Foundation (SEF) and counterparts in China. Changes in the cross-Strait dynamic will affect public attitudes here over time, and this may contribute to enhanced stability in the Taiwan Strait.

Biographical Note on Ma Ying-jeou

¶9. (SBU) President Ma Ying-jeou, 58, was born in Hong Kong in 1950. His father, Ma Ho-ling, was a well-connected member of the KMT. Ma and his family moved to Taiwan in 1951, when Ma was only one year old. Although he has lived nearly his entire life in Taiwan, Ma is still regarded as a "mainlander," as opposed to a "native Taiwanese." Ma holds a law degree from National Taiwan University, a masters degree in law from New York University, and a doctorate of law from Harvard University. Ma is married to Christine Chow (Mei-chin), and the couple have two daughters, Ma Wei-chung, who was born in the U.S., and Ma Yuan-chung.

¶10. (SBU) Ma returned to Taiwan from the U.S. in 1981, to teach law. Shortly thereafter, he became the personal English interpreter to then-President Chiang Ching-kuo, a position he held from 1981-88. Ma has served as KMT Deputy

TAIPEI 00000698 003 OF 003

Secretary General (1984-88), interpreter to President Lee Teng-hui (1988), Executive Secretary of the Mainland Affairs Council (MAC) (1988-1990), MAC Vice Chairman (1991-93), Minister of Justice (1993-1996), and Minister without Portfolio (1996-7). Ma was elected Taipei mayor in December 1998, defeating then-incumbent Chen Shui-bian. and he was re-elected in 2002, completing his second term in December ¶2006. In July 2005, Ma defeated Legislative Yuan Speaker Wang Jin-pyng in the KMT election to succeed Lien Chan as party Chairman. Ma stepped down as Chairman in February 2007, after he was indicted for allegedly embezzling funds from mayoral office accounts. The indictment dealt a blow to Ma's carefully cultivated "clean" image but did not prevent Ma from winning a landslide presidential victory on March 22, ¶2008. Ma was finally cleared of any wrongdoing on April 24, ¶2008.

¶11. (C) While Ma's closest friends describe him as warm and personable, others say he is frequently cold and aloof. Ma refuses to make the kinds of tit-for-tat deals that are the stock in trade of many old-guard KMT politicians. Those close to Ma have told AIT that he relies on a very small circle of advisors, most of them personal friends from his time in academia. These advisors have had some differences with the senior KMT leadership, who have their own views on where Ma's cross-Strait and domestic policies should go. KMT Honorary Chairman Lien Chan and his ally LY Speaker Wang Jin-pyng are widely considered to be Ma's chief rivals within the party. Lien is regarded as more "pro-China" than Ma, and he and many "deep-Blues" would like to see cross-Strait relations develop at a faster pace.

YOUNG